

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1572 – HB 1895

March 20, 2018

**SUMMARY OF ORIGINAL BILL:** Prohibits an agency from enacting, adopting, or enforcing an agency policy prior to review by the Attorney General (AG). Requires the AG to review all proposed agency policies within 15 days of receiving the proposed policy from the agency. Redefines “rule” and “policy” for purposes of the Uniform Administrative Procedures Act.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – \$15,000/One-Time  
\$373,100/Recurring

Other Fiscal Impact – Time constraints associated with passage of rules or approval of policies under the provisions of this legislation could result in jeopardized federal funding to the Department of Health.

**SUMMARY OF AMENDMENT (015799):** Deletes and rewrites all language after the enacting clause such that the substantive changes are as follows: (1) deletes the requirement that the AG review all proposed agency policies; (2), revises the definition of a “policy”, and (3) requires, on July 1 of each year, all agencies to submit a summary and justification of adoption for all policies adopted by the agency to the chairs of the Government Operations Committees.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- The proposed language would define “policy” to include: (1) any statement or document prepared or issued by any agency pursuant to its delegated authority that merely defines, or explains the meaning of a statute or rule, and (2) any statement or document concerning the administration of an agency’s internal operation that does not affect private rights, privileges, or procedures.
- The proposed language would define “rule” to include: (1) any agency regulation, standard, or document of general applicability that describes the procedures or practice

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requirements of the agency, or implements, prescribes, or interprets an enactment of the General Assembly, Congress, or a federal regulation, or (2) establishes a fee.

- Agencies would be required to submit a list of all policies adopted after June 30, 2018, to the chairs of the Government Operations Committees. Such lists are required to include a summary of the policy adopted and justification for adopting the policy instead of promulgating a rule.
- Lists of adopted policies can be provided by agencies to the chairs of the Government Operations Committees annually utilizing existing resources; therefore any increase in state expenditures is estimated to be not significant.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jrh